

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

October 19, 2004

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, October 19, 2004, at 8:30 a.m. at the Sheridan & Leland Senior Apartments, 4645 North Sheridan, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present:	Sharon Gist Gilliam Hallie Amey Earnest Gates Dr. Mildred Harris Lori Healey Michael Ivers Martin Nesbitt Carlos Ponce
Absent:	Sandra Young Mary Wiggins

Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session and Chairperson Gilliam thereupon introduced the Resolutions discussed in Executive Session. Commissioner Ivers then presented an omnibus Motion to approve Executive Session Item 1 and Item 2.

(Executive Session Item 1)

RESOLUTION NO. 2004-CHA-125

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 4, 2004 requesting that the Board of Commissioners approves the Personnel Actions Report for September 2004.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for September 2004.

(Executive Session Item 2)

RESOLUTION NO. 2004-CHA-126

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 7, 2004, entitled "Authorization to Renew Chairman's Stipend";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the renewal of an annual stipend in the amount of \$75,000, plus a benefit supplement in an amount equal to the employer contribution by the CHA for its employees for the costs of health, dental and vision benefits for the Chairman of the Board of Commissioners, and further approves her enrollment, at her own expense, in the CHA's insurance benefit plans for health, dental, vision, life, and accidental death and dismemberment insurance for the two year period beginning October 1, 2004 and renewable thereafter subject to Board approval.

The Motion to adopt Executive Session Items 1 and 2 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Earnest Gates Dr. Mildred Harris Lori Healey Michael Ivers Martin Nesbitt Carlos Ponce
-------	---

Nays:	None
-------	------

The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

In the absence of the Committee Chairperson, Commissioner Michael Ivers presented the Tenant Service Committee report. Per Commissioner Ivers , the Tenant Services Committee held its regularly scheduled meeting on Wednesday, October 13, 2004, at 2:00 p.m. at the 626 Corporate Office. No presentations were scheduled to come before the Committee.

Commissioner Ivers then introduced an Omnibus Motion for the adoption of Resolutions for Items A1, A3 and A4 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

The resolution for Item A1 approves acceptance of a grant award from the Illinois Department of Public Health, Center for Minority Health, in the amount of \$108,757, to develop a comprehensive HIV/AIDS education and prevention project targeting high risk African Americans residing at the CHA's ABLA, Rockwell, Washington Park, Dearborn Homes, Madden Park and Wells development. The grant award will provide counseling and testing services to a minimum of 200 individuals with appropriate follow-up services and linkage to care and treatment options. The grant award will also provide community street outreach to include the delivery of HIV/AIDS risk reduction messages to a minimum of 1500 individuals.

RESOLUTION NO. 2004-CHA-127

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 13th entitled "Recommendation to accept a grant award from the Illinois Department of Public Health, and increase the FY2004 comprehensive budget in the amount of \$108,757 and enter into a sub-agreement

with the American Red Cross of Greater Chicago and the South Side Help Center to offer outreach, prevention education and testing for HIV/AIDS for CHA residents.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to accept a grant award from the Illinois Department of Public Health in the amount of \$108,757, and increase the FY2004 comprehensive budget by the same amount, and enter into a sub-agreement in the following not-to-exceed amounts with: (a) American Red Cross of Greater Chicago - \$74,750; and (b) South Side Help Center - \$24,120, to provide outreach, prevention education and testing for HIV/AIDS for CHA residents.

(Item A2 THIS NUMBER NOT USED)

(Item A3)

The resolution for Item A3 approves the Form of Lease and Resident Selection Plan for all new Rockwell Gardens developments. East Lake/West End, LLC has an interest and desire to implement its own Lease Forms and policy that encourages consistent community standards for the effective management of its mixed income developments. The lease and policy have to accommodate various aspects of the multiple types of tenants and characteristics of a Mixed Finance Transaction. The approval of the Form of Lease for the New Rockwell is required at this time to facilitate the closing of the Rockwell Gardens Phase I-B. The Resident Selection Plan has been subject to extensive negotiation among the CHA, the developer/owner entity, the Working Group and the Local Advisory Council and the documents are recommended as acceptable.

RESOLUTION 2004-CHA-128

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 27, 2004, entitled "Authorization for approval of the Form of Lease and Resident Selection Plan for the New Rockwell Gardens Development (All Future Phases) and to amend the CHA Admission and Continued Occupancy Policy to incorporate such document as an addendum thereto"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the attached form of lease and Resident Selection Plan in substantially the form presented to the Board for the new Rockwell Gardens developments (a new name for these future phases of development is to be determined) and hereby approves an amendment to the Chicago Housing Authority's Admission and Occupancy Policy to incorporate the approved forms as an addenda. The Chairman of the Board or the Chief Executive Officer is hereby authorized to approve final changes in these forms, including changes based on HUD requirements, or such changes, if any, resulting from any applicable notice and comment process. Such approval shall constitute conclusive evidence of the Board's approval of any and all such changes.

(Item A4)

The CHA Board of Commissioners approved an Intergovernmental Agreement (IGA) in February, 2002, between the CHA, the participating housing agencies (the Housing Authority of Cook County ("Cook"), the Lake County Housing Authority ("LCHA"), the Illinois Housing Development Authority (IHDA) and the Metropolitan Planning Council (MPC) to establish the Regional Housing Initiative ("RHI"). RHI was created in order to stimulate the supply of rental housing across the metropolitan region for low-income families by pooling together Housing Choice Vouchers to establish project-based developments. The RHI selection committee recommended five proposals to date, four of which were previously approved. The resolution for Item A4 approves the recommendation of the RHI to allocate five project-based vouchers to Argyle Apartments and five to Sheridan Apartments. Argyle Apartments are located in a

rehabilitated, 21-unit multifamily apartment building located in the Albany Park neighborhood on the city's northwest side. The development is located nine miles from the city's downtown, neighbors both Northeastern Illinois and North Park University, and within walking distance of the commercial corridor on Lawrence Avenue. The site is also located near Chicago Transit Authority train and bus routes. Sheridan Apartments are located within the existing 25-unit building located in the Rogers Park neighborhood on the city's north side. The development is located within blocks of Loyola University Chicago campus and the Sheridan commercial corridor. Situated along the CTA Red/Purple Line trains and numerous bus routes, residents will be just one mile from the suburb of Evanston, home of Northwestern University and other job resources, and 11 miles from the Chicago's downtown. Both developments will target very low, low income and market rate residents. CMHDC currently owns this building and will rehabilitate the units. RHI vouchers will be allocated for ten year duration with the option for contract extension.

RESOLUTION NO. 2004-CHA-129

WHEREAS, the Board of Commissioners has reviewed Board letter dated May, 14 2004 entitled "Recommendation that the Chicago Housing Authority approve the recommendation of the Regional Housing Initiative (RHI) to allocate housing choice vouchers to Argyle and Sheridan Apartments in accordance with the RHI program and authorization to take all actions and execute all documents with respect thereto.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Chicago Housing Authority hereby approves the recommendation of the Regional Housing Initiative (RHI) to allocate five project-based vouchers to Argyle Apartments and five project-based vouchers to Sheridan Apartments in accordance with the RHI program, subject to any required HUD waivers or exceptions, and authorize the Chief Executive Officer or his designee to take all actions and execute all documents with respect thereto.

The Motion to adopt the resolutions for Items A1, A3 and A4 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Earnest Gates Dr. Mildred Harris Lori Healey Michael Ivers Martin Nesbitt Carlos Ponce
-------	---

Nays:	None
-------	------

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted.

Commissioner Gates, Chairperson of the Operations & Facilities Committee, then presented the Joint Finance & Audit and Operations & Facilities Committee Report. Per Commissioner Gates, the Joint Finance & Audit and Operations & Facilities Committee Meeting was held on Wednesday, October 13, 2004.

Commissioner Gates then introduced an Omnibus Motion for adoption of resolutions for Items B1 through B13, discussed, voted and recommended for Board approval by the Joint Finance & Operations Committees.

(Item B1)

The resolution for Item B1 approves Revision No. 3 to the FY2004 Budget. The impact of this budget revision resulted in the following changes: Total revenue and associated expenditures under the General Fund decreased by \$22,978,717 for a fund total of \$825,504,280. This decrease is due to

the realignment of the budget based on projected spending for Technology Initiatives and construction activities at various CHA properties. Total revenue and associated expenditures for HOPE VI funds decreased by \$6,267,815 for a fund total of \$64,147,134. This decrease is primarily due to the realignment of the budget based on the Relocation Department's projected spending for Community Support Services (CSS) and deferral of redevelopment activities at various properties to FY2005. Total revenue and associated expenditures, for City/State Funds, decreased by \$5,842,012 for a fund total of \$12,463,715. This decrease is due to the realignment of the budget with projected spending for rehabilitation in FY2004 at various City/State properties.

RESOLUTION NO. 2004-CHA-130

WHEREAS, the Board of Commissioners has reviewed the Board letter dated September 17, 2004, entitled "Approval of the Revised 2004 Comprehensive Budget";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached budget amendments, "Approval of the Revised 2004 Comprehensive Budget", and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

(Item B2)

Under HUD guidelines, the CHA is required to submit a PFS Calculation detailing the total operating subsidy for fiscal year 2005. Based on the formula established by HUD as a part of the Moving-to-Work Demonstration Agreement ("MTW Agreement") the CHA should request the operating subsidy in the amount of \$169,855,085. This figure was determined by using the formula described in the MTW Agreement. For fiscal years 2000-2005, CHA must prepare its request for operating funds by making adjustments to the base year subsidy eligibility. The MTW Agreement states that CHA's base year is CHA's FY1999 subsidy eligibility level of \$176,451,193. The formula includes making adjustments to the base year amount by using a Simplified Delta of 0.5%, the PFS annual inflation factor for Chicago (which is 2.4% for FY2005), unit demolitions, and congressional appropriations (i.e., pro-ration of subsidy when less than 100% funding of operating subsidy). Unlike the procedure used in prior years, HUD has requested each Authority to submit its PFS Schedule prior to the release of final pro-rations. This is being done in order to determine the overall need of Public Housing Authorities. Upon release of the final pro-ration amount, the CHA's FY2005 Comprehensive Budget will be adjusted accordingly. Accordingly, the resolution for Item B2 approves submittal of the FY2005 PFS Calculation to HUD.

RESOLUTION NO. 2004-CHA-131

WHEREAS, the Board of Commissioners have reviewed the Board Letter dated October 13, 2004 requesting authorization to submit FY2005 Performance Funding System Calculation to the Department of Housing and Urban Development and approval of the FY2004 Performance Funding System Performance Calculation.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the FY2005 Performance Funding System Calculation and authorize the Chief Executive Officer or his designee to execute and submit the Performance Funding System Calculation and all necessary related documents to the U.S. Department of Housing and Urban Development.

(Item B3)

The CHA entered into contract with KPMG, LLP in 2001 for internal auditing services pursuant to a competitive procurement. Responsibilities of the internal auditor under the Contract include developing a risk assessment and annual audit plan; testing and evaluating the efficiencies and effectiveness of operations; compliance with applicable regulations; and ensuring that good internal control systems are in place to improve operations. The Contract was for an initial two-year period expiring October 31, 2003, with three one-year options. We are currently operating under the first one-year option to extend granted last November 2003 and due to expire on October 31, 2004. During the past three years, KPMG has provided the CHA with outstanding service and has performed all tasks expected of the internal audit provider. KPMG has utilized expertise from its global internal audit practice to deliver key solutions to manage critical financial, business and operational risks on behalf of the CHA. Pursuant to the second extension option, KPMG is willing to provide internal auditing services to the CHA for the contract extension term, November 1, 2004 through December 31, 2005, under the same rates, terms and conditions as provided in the Contract. The contract period end date is being adjusted by two months to coincide with the calendar year for audit planning purposes. Accordingly, the resolution for Item B3 approves extension of KPMG's contract.

RESOLUTION NO. 2004-CHA-132

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated September 9, 2004 entitled, "Authorization to exercise the option to extend Contract No. 9678 With KPMG, LLP FOR Internal Auditing Services";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an amendment extending Contract No. 9678 with KPMG, LLP ("Contract") for the period of November 1, 2004 through December 31, 2005 to provide internal auditing services for a total amount not-to-exceed \$1,000,000 pursuant to the second extension option.

(Item B4)

On January 6, 2000, the CHA Board of Commissioners approved the Plan for Transformation, which called for sweeping changes in the administration and operation of the CHA. The Plan for Transformation was approved by the U.S. Department of Housing and Urban Development (HUD) and incorporated into a Moving to Work (MTW) Agreement. The agreement was subsequently amended in February 2001, requiring the CHA to submit an annual plan to HUD no less than 60 days prior to the beginning of CHA's fiscal year. Accordingly, the resolution for Item B4 approves submittal of CHA's FY2005 Annual Plan to HUD. When the Plan for Transformation is complete, the CHA will have redeveloped or revitalized 25,000 public housing units and supported public housing residents in a move toward economic and social self-sufficiency. The FY2005 Annual Plan outlines the steps that the CHA will take during FY2005 to achieve the original goals and commitments set forth in the Plan for Transformation. To ensure community and resident input on the FY2005 Annual Plan, the CHA held a public comment period from September 14, 2004 to October 13, 2004 and a public hearing was held on September 30, 2004 at the Harold Washington Library Auditorium. The CHA has reviewed and responded to public comments, which will be included in the FY2005 Annual Plan for submission to HUD.

RESOLUTION NO. 2004-CHA-133

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 27, 2004 requesting approval of the FY2005 Annual Plan – Plan for Transformation Year 6 and that the Board of Commissioners Chairperson sign the PHA

Certification of Compliance with MTW Plan Requirements and Related Regulations, attached hereto

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approve the attached the FY2005 Annual Plan – Plan for Transformation Year 6 and that the Board of Commissioners Chairperson sign the PHA Certification of Compliance with MTW Plan Requirements and Related Regulations, and grant authorization to submit these documents to the U.S. Department of Housing and Urban Development.

(Item B5)

The CHA's current contracts for healthcare plan benefits terminate on December 31, 2004 and must be replaced effective January 1, 2005. The CHA's insurance broker directly solicited requests for insurance premium quotes from 18 top healthcare insurance providers in their respective fields for employee medical, dental, vision, Life, STD and LTD insurance, which included the CHA's current healthcare benefit insurance providers. although the renewal premium quotes received from Humana, Inc. and Delta Dental were extremely favorable to the CHA when compared to the national trend rates, CIGNA Healthcare quoted PPO premiums significantly below those of Humana, Inc. for the same benefits, and First Commonwealth's dental plans and Davis Vision's plan offered a better overall value to the CHA and its eligible participants. MetLife submitted slightly lower rates for Life Insurance than UnumProvident, but UnumProvident did a better job of addressing the CHA's plan design request, and lower rates were negotiated with UnumProvident for Life and Long-Term Disability than what they originally proposed. Accordingly, the resolution for Item B5 approves award of contract to CIGNA, First Commonwealth, Davis Vision, and UnumProvident for the CHA's Employee Health Benefit Plan

RESOLUTION NO. 2004-CHA-134

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Memorandum dated October 7, 2004, entitled "Authorization to enter into contracts with CIGNA, First Commonwealth, Davis Vision, and UnumProvident for the CHA's Employee Health Benefit Plan";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to enter into contracts for the CHA's Employee Health Benefit Plans for the period of January 1, 2005 to December 31, 2005 with options to extend the contracts for one additional one-year term with the following providers: (1) CIGNA Healthcare for an amount not-to-exceed \$3,900,000; (2) First Commonwealth for an amount not-to-exceed \$250,000; (3) Davis Vision for an amount not-to-exceed \$43,000; and (4) UnumProvident for an amount not-to-exceed \$360,000. The options to extend the contracts for an additional one-year term are subject to the CHA obtaining competitive premium quotes for the option year and approval by the Board of Commissioners.

(Item B6)

The CHA is restructuring the administration of job preparedness and technology training delivered through its Family Investment Center program. In support of the CHA's Plan for Transformation additional consideration is required for training assistance that includes a conscientious approach to serving residents engaged in the relocation process. An RFP for CHA's Charles A. Hayes Family Investment Center's Technology Related Training and Job Preparedness Services was released on July 1, 2004. The RFP was mailed to sixteen (16) vendors and advertised in area newspapers. Of the seven proposals received and Oral presentations held, Technology Resources Center was determined to be the most responsible and responsive vendor. Accordingly, the resolution for Item B6 approves award of contract to The Neighborhood Technology Resource Center.

RESOLUTION NO. 2004-CHA-135

WHEREAS, the Board of Commissioners has reviewed memorandum dated September 30, 2004, entitled: "Authorization to Enter Into A Contract With The Neighborhood

Technology Resource Center For Provision Of Technology Related Training And Job Preparedness Services".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with the Neighborhood Technology Resource Center for Technology Related Training And Job Preparedness Services in an amount not-to-exceed \$2,030,161 for a two year term, with three one year renewal options subject to Board approval.

(Item B7)

In order to complete Phase II of the historic Preservation of the Hilliard Towers Apartments, the resolution for Item B7 approves the authority of the following:

1. issue and sell not more than \$27,000,000 in multi-family housing revenue notes (tax-exempt bonds) for the costs associated with rehabilitating Hilliard Homes Phase II Redevelopment to Bank of America, N.A.
2. amend the ground lease of the Phase II site to Hilliard Homes II Limited Partnership;
3. increase the amount of the CHA Capital Fund Loan provided to Hilliard Homes II Limited Partnership to the approximate amount of \$20,450,000.
4. authorize the sale of the Phase II buildings to the Hilliard Homes II Limited Partnership for a purchase price of approximately \$5,947,680.
5. authorize the CHA to provide seller financing in the amount of approximately \$3,675,000 and not to exceed \$3,900,000 for a portion of the purchase price of the Phase II buildings to Hilliard Homes II Limited Partnership
6. authorize revision of the terms of the Mixed-Finance Proposal, Mixed-Finance Amendment to the Annual Contributions Contract and Disposition Application, and
7. authorize the acquisition of land, or interests therein, for two parcels within the Hilliard Planned Development site from the City of Chicago, Chicago Transit Authority and/or one or more affiliates of Developer for a purchase price not to exceed \$100 for inclusion under the ground lease(s);
8. provide operating subsidy as provided in the Regulatory and Operating Agreement;
9. authorize the amendment of existing agreements and the execution, delivery, and performance of all agreements in connection therewith and related matters.

RESOLUTION NO. 2004-CHA-136

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$27,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTI-FAMILY HOUSING REVENUE NOTES (HILLIARD HOMES – PHASE II DEVELOPMENT) OF THE CHICAGO HOUSING AUTHORITY IN TWO SERIES AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE LOAN OF THE PROCEEDS OF THE NOTES TO HILLIARD HOMES II LIMITED PARTNERSHIP TO BE USED TO PAY COSTS OF REHABILITATION OF HILLIARD HOMES – PHASE II; AUTHORIZING THE SALE OF THE NOTES TO BANK OF AMERICA, N.A.; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL NOTE DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF THE NOTES; AUTHORIZING AN AMENDMENT TO THE GROUND LEASE OF THE SITE OF THE PROJECT BY THE AUTHORITY TO HILLIARD HOMES II LIMITED PARTNERSHIP; AUTHORIZING THE LOAN BY THE AUTHORITY OF CAPITAL FUNDS TO HILLIARD HOMES II LIMITED PARTNERSHIP TO PROVIDE PERMANENT FINANCING FOR CERTAIN COSTS OF THE PROJECT AND TO RETIRE THE SERIES 2004A NOTES; AUTHORIZING THE AUTHORITY TO SELL THE PHASE II BUILDINGS AND ASSOCIATED PERSONALTY TO THE HILLIARD HOMES II LIMITED PARTNERSHIP; AUTHORIZING THE AUTHORITY TO PROVIDE SELLER FINANCING TO HILLIARD HOMES II LIMITED PARTNERSHIP; AUTHORIZING THE AUTHORITY TO ENTER INTO ONE OR MORE INTERCREDITOR AGREEMENTS WITH OTHER LENDERS AND/OR INVESTORS; AUTHORIZING REVISION OF THE TERMS OF THE MIXED-FINANCE PROPOSAL, MIXED FINANCE

**AMENDMENT TO THE ANNUAL CONTRIBUTIONS CONTRACT
AND DISPOSITION APPLICATION; AND AUTHORIZING THE
EXECUTION, DELIVERY AND PERFORMANCE OF ALL
AGREEMENTS IN CONNECTION THEREWITH; AND RELATED
MATTERS.**

WHEREAS, the Chicago Housing Authority, a municipal corporation and body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority” or “CHA”), including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et seq.*, and all laws amendatory and supplemental thereto, including in particular the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the “Act”), is authorized by the laws of the State of Illinois (the “State”), including without limitation the Act, to issue its revenue notes and bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance the cost of the development and construction of multifamily rental housing located in the jurisdiction of the Authority; and

WHEREAS, Hilliard Homes II Limited Partnership, an Illinois limited partnership (the “Borrower”), proposes to finance a portion of the costs of the rehabilitation of Phase II of Hilliard Homes consisting of 327 apartment units in 2 buildings in Chicago, Illinois (the “Project”) through the issuance by the Authority of its Multi-Family Housing Revenue Note, Series 2004A (Hilliard Homes – Phase II Development) (the “Series 2004A Authority Note”), and its Multi-Family Housing Revenue Note, Series 2004B (Hilliard Homes – Phase II Development) (the “Series 2004B Authority Note” and collectively with the Series 2004A Authority Note, the Authority Notes); and

WHEREAS, the general partner of the Borrower is HH2 Development Corporation, an Illinois corporation; and

WHEREAS, the Commissioners of the Authority, on September 19, 2000, as amended on July 16, 2002, adopted resolutions authorizing the submission of a mixed-finance proposal for the Project to the United States Department of Housing and Urban Development (“HUD”) (the “Mixed-Finance Proposal”) and a request to HUD to ground lease the site of the Project to the Borrower; and pursuant to such authority, heretofore entered into a development agreement (the “Phase II Development Agreement”) and ground lease with the Borrower (the “Ground Lease”), and loaned funds to the Borrower for certain infrastructure costs, secured by a leasehold mortgage (the “Infrastructure Loan”); and

WHEREAS, the Ground Lease contemplated that upon the vacation of Dearborn Street, the CHA’s reversionary interests therein (the “Reversionary Interests”) would be included in the Phase II site; and further contemplated that upon acquisition of those parcels of land described on Exhibit A to this resolution, such parcels, or interests, rights or licenses therein, would also be included in the Phase II site (collectively, the “Additional Land”), all subject to the terms and conditions of such Ground Lease; and

WHEREAS, it is now necessary to enter into amendments to the Phase II Development Agreement (the “Development Agreement Amendment”) and the Ground Lease (the “Amendment to Ground Lease”); and

WHEREAS, a determination has been made by the Authority that the Project constitutes “multifamily rental housing” within the meaning of the Act and that the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with the financing of a portion of the costs of the Project through the issuance and sale of the Authority Notes, pursuant to a Note Issuance Agreement (the “Note Issuance Agreement”) among the Authority, Bank of America, N.A. (the “Bank”), as Noteholder, and the Bank, as Fiscal Agent; and

WHEREAS, the proceeds of the Authority Notes will be loaned by the Authority to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) between the Authority and the Borrower and the obligations of the Borrower to pay debt service under the Loan Agreement will be evidenced by two notes (individually, the “Series 2004A Borrower Note” and the “Series 2004B Borrower Note” and, collectively, the “Series 2004 Borrower Notes”) from the Borrower to the Authority which will be assigned by the Authority to the Bank; and

WHEREAS, certain income and other rental restrictions required by Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) will be specified in a Land Use Restriction Agreement between the Authority and the Borrower (the “Land Use Restriction Agreement”); and

WHEREAS, certain arbitrage requirements of Section 148 and related provisions of the Code will be specified in an Arbitrage Compliance Agreement (the “Tax Agreement”) between the

Authority and the Borrower; and

WHEREAS, the Authority Notes will be sold by private placement to the Bank pursuant to a Note Purchase Agreement (the “Note Purchase Agreement”) among the Authority, the Borrower and the Bank; and

WHEREAS, the Borrower’s obligations under the Loan Agreement, the Series 2004A Borrower Note and the Series 2004B Borrower Note will be secured by a Leasehold Deed of Trust (“Deed of Trust”) from the Borrower to the Authority and the rights of the Authority in and to the Deed of Trust will be assigned to the Bank pursuant to an Assignment and Security Agreement (the “Assignment”) from the Authority to the Bank; and

WHEREAS, the Authority will sell and convey by one or more quitclaim deeds (collectively, the “Deed”) the Phase II buildings and associated personality to the Borrower for approximately \$5,947,680, and will make a loan to Borrower to finance a portion of such sale price (the “CHA Seller Financing Loan”); and

WHEREAS, the Authority expects to acquire the Additional Land for not to exceed \$100, and may enter into one or more agreements with respect to the acquisition of rights therein (the “Acquisition Agreements”) and amend, execute and deliver any documents as may be necessary or desirable to incorporate the Reversionary Interest and the Additional Land into the Phase II site; and

WHEREAS, in addition to the CHA Seller Financing Loan, the Authority will lend approximately \$20,450,000 in capital funds (plus interest earnings on escrowed funds, as further set forth below) to the Borrower to provide funds to pay costs of rehabilitation and facilitate the Project (the “CHA Permanent Loan”); and

WHEREAS, the Series 2004A Authority Note will be secured by and payable from not to exceed \$14,000,000 of capital funds (“Escrow Funds”) received by the Authority and deposited pursuant to a Pledge Agreement (the “Pledge Agreement”) among the Authority, the Borrower and the Bank; and

WHEREAS, upon withdrawal pursuant to the Pledge Agreement, such Escrow Funds (and interest earned thereon of approximately \$100,000) will constitute a loan from the Authority included within the CHA Permanent Loan pursuant to the Loan Agreement (the “CHA Loan Agreement”) with the Borrower; and

WHEREAS, it is expected that a portion of the CHA Permanent Loan shall be applied to repay the Infrastructure Loan; and that the existing leasehold mortgage securing such Infrastructure Loan will be released and replaced with a subordinate Leasehold Mortgage, securing the CHA Permanent Loan and the CHA Seller Financing Loan; and

WHEREAS, the Borrower will be required to operate 152 housing units within the Project for the use and occupancy of public housing eligible families and individuals and, in connection therewith, the Authority will enter into a Regulatory and Operating Agreement (the “R&O Agreement”) with the Borrower and a Declaration of Restrictive Covenants (the “Declaration”) with the Borrower and with HUD, and the Borrower will execute and deliver to the Authority, in addition to the CHA Loan Agreement, a Leasehold Mortgage, Note(s), Assignment of Rents and Leases, UCC Financing Statements, Environmental Agreement, an option and/or right of first refusal agreement (“Option Agreement”), and related agreements and instruments relating to the CHA Permanent Loan and the CHA Seller Financing Loan, and the Development Agreement Amendment (the “Loan Documents”); and

WHEREAS, other sources of funding for costs of the Project will be provided by (a) an FHA-insured mortgage loan in the approximate amount of \$3,400,000; (b) a City of Chicago mortgage loan in the approximate amount of \$3,350,000; (c) equity contributions by the Borrower; and

WHEREAS, the proceeds of the Authority Notes and the other funding sources will be disbursed pursuant to a Construction Loan Escrow and Disbursement Agreement (the “Disbursement Agreement”) among the Authority, the Bank, the FHA mortgagee, the Borrower, the City, the Project contractor and a disbursing agent; and

WHEREAS, notice of a public hearing with respect to the proposed issuance of the Notes has been published in the *Chicago Sun Times*, *La Raza* and the *Chicago Defender*; and

WHEREAS, said public hearing will be conducted on behalf of the Authority pursuant to which an opportunity will be provided for residents and other interested persons to present arguments for and against the Project and the issuance of the Authority Notes; and

WHEREAS, the Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Borrower for certain expenditures relating to the Project with proceeds of the Authority Notes; and

WHEREAS, the City Council of the City has approved or will approve the transfer to the Authority of up to \$30,000,000 of the City’s available unused volume cap for calendar year 2004

and/or 2005 pursuant to Section 146 of the Code for use by the Authority in connection with the issuance of the Authority Notes, all in accordance with an agreement between the City and the Authority (the “Intergovernmental Agreement”); and

WHEREAS, the Authority and HUD will enter into a supplement to the amendment to the Mixed-Finance Amendment to the Annual Contributions Contract with HUD (the “ACC Supplement”); and

WHEREAS, the Authority Notes, the Development Agreement Amendment, the Amendment to Ground Lease, the Note Issuance Agreement, the Loan Agreement, the Series 2004 Borrower Notes, the Land Use Restriction Agreement, the Tax Agreement, the Note Purchase Agreement, the Deed of Trust, the Assignment, the Deed, the Acquisition Agreements, the CHA Loan Agreement, the R&O Agreement, the Declaration, the Option Agreement, the Disbursement Agreement, the Intergovernmental Agreement, the ACC Supplement are referred to collectively herein as the “Authority Agreements”; and

WHEREAS, the Authority has caused to be prepared and presented to this meeting each of the Authority Agreements;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

Section 1. The Authority is authorized to enter into the Authority Agreements with the other party or parties thereto in substantially the same forms now before the Authority. The forms, terms and provisions of the Authority Agreements be, and they hereby are, in all respects approved. The Chairman, the Chief Executive Officer or the Chief Financial Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, where necessary, the Executive Advisor to the Board, the Chief Executive Officer, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Agreements in the name, for and on behalf of the Authority, and thereupon to cause the Authority Agreements to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual executing the Authority Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Agreements now before the Authority. When the Authority Agreements are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, they shall be binding on the Authority. From and after the execution and delivery of the Authority Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Agreements as executed. The Authority Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the Authority Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. The Series 2004A Authority Note shall be issued in fully registered form, in an aggregate principal amount not to exceed \$14,000,000, and the Series 2004B Authority Note shall be issued in fully registered form, in an aggregate principal amount not to exceed \$13,000,000, as provided in the Note Issuance Agreement. The Authority Notes shall bear interest at such rate or rates as shall be set forth in the Authority Notes and the Note Issuance Agreement, in no event to exceed the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of the *Bond Buyer* (or any successor publication or index). The Authority Notes shall mature on such date or dates as shall be set forth in the Note Issuance Agreement, but in no event later than 10 years following the date of their initial issuance and delivery to the initial purchasers thereof. The Series 2004 Notes shall be subject to redemption prior to maturity as provided in the Note Issuance Agreement. The designation of the Authority Notes may be modified as necessary to reflect the calendar year of their issuance.

Section 3. The Authority Notes and the interest thereon will be special, limited obligations of the Authority, payable solely from the payments to be made by the Borrower under the Loan Agreement or from the other sources specified or referred

to in the Note Issuance Agreement, which shall be specifically assigned and pledged to such purposes in the manner and to the extent provided therein. The Authority Notes and all other obligations of the Authority in connection therewith shall not be a debt of the City or any other city, village, incorporated town or county, the State of Illinois or any political subdivision thereof and neither the City, nor any other city, village, incorporated town or county, nor the State of Illinois or any political subdivision thereof shall be liable thereon, nor in any event shall the Authority Notes or such obligations be payable out of any funds or properties other than those pledged under the Note Issuance Agreement and those other agreements specifically securing the Authority Notes. The Authority Notes shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. The forms of the Authority Notes set forth in the Note Issuance Agreement, subject to appropriate insertions and revisions in order to comply with the provisions of the Note Issuance Agreement (as executed and delivered) be, and the same hereby are approved. The Authority Notes shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman (or such other officer authorized by law to execute the Authority Notes on behalf of the Authority) and attested with the manual or facsimile signature of its Executive Advisor to the Board, Secretary or Assistant Secretary (or such other officer authorized by law to execute the Authority Notes on behalf of the Authority) and the seal of the Authority shall be impressed or imprinted thereon. The officers of the Authority shall cause the Authority Notes, as so executed and attested, to be delivered to the Fiscal Agent for authentication. When the Authority Notes shall be executed on behalf of the Authority in the manner contemplated by the Note Issuance Agreement and this Resolution, they shall represent the approved forms of Authority Notes of the Authority.

Section 5. The sale of the Authority Notes to the Bank at a purchase price of not less than 97% (exclusive of original issue discount) of the aggregate principal amount thereof plus accrued interest, if any, to the date of delivery, is hereby approved.

Section 6. The Seller Financing Loan shall be in an amount not to exceed \$3,900,000 for a term of approximately forty years plus the construction period (or such longer period as may be required by FHA), and shall bear interest at the applicable federal rate. The CHA Permanent Loan shall be in the approximate amount of \$20,450,000 plus interest earned on Escrow Funds, with a term of approximately 40 years plus the construction period (or such longer period as may be required by FHA), and shall bear interest at a rate per annum of zero percent (0%), and shall be secured by the Leasehold Mortgage and other Loan Documents.

Section 7. The Authority is authorized to acquire the Additional Land for a purchase price not to exceed \$100 from the City of Chicago, the Chicago Transit Authority, and/or the Borrower or its affiliate(s), and to amend, execute, deliver and perform the Acquisition Agreements.

Section 8. The proper officers of the Authority are also authorized to execute a Historic Preservation Covenant with the Illinois Historic Preservation Agency with respect to the Project.

Section 9. The proper officers of the Authority are hereby further authorized to apply an approximate amount of \$1,500,000 of the cash proceeds of the sale of the buildings to prepay the financing provided to pay the cost of boilers and other equipment at the Project as determined by the Chief Financial Officer of the Authority.

Section 10. The proper officers of the Authority are hereby further authorized to submit such revisions to the Mixed-Finance Proposal and Disposition Application as may be appropriate;

Section 11. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority (including, without limitation, environmental remediation agreements, investment agreements, book-entry

registration agreements, and intercreditor agreements) and to take such other actions as may be required or desirable in connection with the execution, delivery and performance of the Authority Agreements, the financing of costs of the Project and the issuance, sale and delivery of the Authority Notes, and the amendment of existing agreements with Hilliard Homes I Limited Partnership and the Borrower as may be required or desirable in connection with the implementation of the Authority Agreements.

Section 12. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 13. The Authority hereby directs that the Authority Notes shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the notice and public hearing and approval requirements have been fully satisfied, and that no contract, agreement or commitment to issue the Authority Notes shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the adoption of this resolution are hereby ratified and confirmed.

Section 14. The Authority authorizes any public hearings pursuant to Section 147(f) of the Code for the issuance of the Authority Notes or future issuances by the Authority of multifamily housing revenue bonds to be conducted either at meetings of the Board of Commissioners or any committee of Commissioners of the Authority or separately, on behalf of the Authority, by any designee of the Chairman of the Authority or, in the absence of such designation, by the Authority's Managing Director-Development, or Director-Development Management, its Chief Financial Officer, or its Deputy Chief Financial Officer which are hereby designated hearing officers of the Authority for such purpose. The officers of the Authority are authorized to seek the approval of the Authority Notes by an "applicable elected representative" of the City pursuant to Section 147(f) of the Code.

Section 15. The Authority hereby allocates to the Authority Notes the "volume cap" reallocated by the City to the Authority in an amount equal to the aggregate principal amount of the Authority Notes actually to be issued.

Section 16. The Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse certain expenditures with proceeds of the Authority Notes.

Section 17. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 18. All resolutions and orders, or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

Section 19. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

EXHIBIT A
ADDITIONAL LAND

CTA PARCEL

LOTS 2 AND 3 (EXCEPT THE SOUTH 2.3 FEET OF SAID LOT 3) IN BLOCK 33 IN CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTIONAL SOUTHEAST FRACTION $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE WEST $\frac{1}{2}$ OF THE NORTH AND SOUTH 30 FOOT PUBLIC ALLEY IN SAID BLOCK 33 LYING SOUTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 2 AND LYING NORTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 2.3 FEET OF LOT 3 AFORESAID, IN COOK COUNTY, ILLINOIS.

PORTION OF DEARBORN STREET TO BE VACATED

ALL THAT PART OF S. DEARBORN STREET LYING BETWEEN THE SOUTH LINE OF W. CULLERTON STREET AND A LINE 113.24 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF W. CULLERTON STREET IN THE EAST ½ OF THE SOUTHEAST FRACTIONAL 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

CITY PARCEL

THE SOUTH ½ OF LOT 5 AND ALL OF LOTS 6, 7 AND 8 IN BLOCK 48 IN CANAL TRUSTEE'S NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTIONAL SOUTHEAST FRACTIONAL ¼ OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(Item B8)

The resolution for Item B8 approves a Housing Assistance Payments Contract (HAP contract) with South Park Plaza LP/ Woodlawn Community Development Corporation to provide Project-based Voucher assistance for 34 units within the South Park Plaza development for the maximum allowable term. South Park Plaza is an affordable rental housing development being constructed on the CHA's former Prairie Courts site located at 26th St. & Martin Luther King Drive on the southside of Chicago. South Park Plaza will provide 134 quality housing opportunities for low income and affordable families. Thirty four units (25% of total) will be reserved for CHA referred Section 8 voucher holders and to serve as a quality relocation option for our public housing residents. This redevelopment project was originally approved by CHA's Board of Commissioners on June 20, 2000 and later amended on December 12, 2001. HUD's Project-based statutes and regulations will be followed in leasing the 34 voucher-assisted units. Although, the CHA's Relocation Rights Contract is not applicable to former City/ State properties such as Prairie Courts, displaced former Prairie Courts residents will be afforded first priority for housing opportunities at South Park Plaza.

RESOLUTION NO. 2004-CHA-137

WHEREAS, the Board of Commissioners has reviewed the Board letter dated September 17, 2004 requesting authorization to enter into a Housing Assistance Payment contract to provide 34 Project-based Housing Choice Vouchers to the South Park Plaza development.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a Housing Assistance Payment contract with the South Park Plaza LP/ Woodlawn Community Development Corporation or its nominee to provide Project-based Voucher assistance for 34 units in the South Park Plaza development for the maximum allowable term, subject to any necessary HUD approvals and take any action necessary to implement the foregoing.

(Item B9)

The development team of Oakwood Boulevard Associates was selected to be the developer for the redevelopment of the CHA's Phase I Madden/Wells site pursuant to a Request for Proposals issued by CHA, The Habitat Company and the City of Chicago. The site is approximately 30 acres and is roughly bounded by the alley east of Ellis Avenue on the east, Pershing Road on the south, ½ block west of Langley Avenue on the west, and ½ block north of 38th Street on the north, and includes the Darrow Homes site, the Madden Park Homes site, and a portion of the Ida B. Wells Homes site. The Phase I redevelopment will begin the creation of a mixed-income community with approximately 325 units. The rental development will have 325 units divided into two sub phases, 1A and 1B. The units will consist of various housing types which include townhouses and six and nine flat buildings. This plan will re-establish the Chicago street grid, develop a series of neighborhood parks/green spaces creating high quality pedestrian friendly streets and re-establish the neighborhood's character. Oakwood Boulevard Associates will be responsible for preparing funding applications, obtaining all other financing necessary to complete the Redevelopment, obtaining necessary approvals, construction, managing the development process, and completion and occupancy of the Redevelopment. The core

transaction terms of the Phase I Madden Wells redevelopment are as follows: the CHA land shall be (1) subject to a 99-year ground lease upon which the Rental development is constructed; financing on the Rental 1B development may include total debt financing of a first mortgage, a Second Mortgage TIF loan, HOME Funds from the City of Chicago-Department of Housing and Illinois Housing Trust Funds, public housing capital from HOPE VI and/or MROP funds and IHDA tax credits. Accordingly, the resolution for Item B9 approves a Pre-Development Loan Agreement with Oakwood Boulevard Associates for Madden/Wells Phase IB.

RESOLUTION NO 2004-CHA-138

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 20, 2004 entitled “Request for Authorization to Enter into a Pre-Development Loan Agreement with Oakwood Boulevard Associates for Madden/Wells Phase IB” and concurs with the recommendation contained therein;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, authorizes the Chief Executive Officer or his designee to enter into a Pre-Development Loan Agreement with Oakwood Boulevard Associates for Madden/Wells Phase IB.

(Item B10)

In 1996, the City of Chicago (“City”) created the Near North Redevelopment Initiative (“NNRI”) that serves as a general guide for the redevelopment activities. The 1997 HOPE VI Revitalization Plan and the NNRI called for the construction of 2,000-3,000 new housing units of which 700 would be designated for CHA families. In 2000, CHA, the City and the Local Advisory Council (“LAC”) entered into a consent decree that governs, to a great extent, the redevelopment goals on the HOPE VI site. The former Montgomery Ward property located near Chicago Avenue and Larrabee Street is being redeveloped by Centrum Properties into a residential, commercial and retail facilities. The overall development will consist of approximately 700 new residential units and 1,800,000 square feet of retail/commercial space extending among seven (7) different parcels of land. Centrum Properties is required (by the City) to construct 10% of the total number of units as replacement housing for the Cabrini Green Extension North site. In December 2003, the CHA purchased 16 units within the Domain Lofts building. River Village North is the second site within the development area being developed jointly by Centrum Properties. River Village North will provide 25 replacement housing units for the Cabrini Extension North families. The CHA will purchase 21 two-bedroom units within the 3-flat buildings and 4 one-bedroom in the loft building for a total of 25 units. The Total Development Cost is \$6,288,297 (\$251,532 per unit): \$5,887,029 (\$235,481 per unit) is allocated for the purchase price of the 25 units and 20 parking spaces and \$401,268 (\$16,050 per unit) is allocated for other related costs. Since, the purchase price exceeds the allowable TDC threshold of \$3,452,300, the City Department of Planning and Development has agreed to fund the acquisition gap of \$2,836,009 (\$113,440 per unit) with TIF proceeds. The purchase of these units will help satisfy 1) the Gautreaux Court Order that requires the development of 56 matching units in a generalized area as a result of the Gautreaux Plaintiffs’ Counsel authorizing the construction of 56 public housing units in the Robert Taylor limited area; and ii) the Cabrini Consent Decree that requires the replacement of 700 public housing units for Cabrini Extension North families. Accordingly, the resolution for item B10 approves two separate purchase agreements with River Village Townhomes, LLC and River Village Lofts, LLC.

RESOLUTION NO. 2004-CHA-139

WHEREAS, the Board of Commissioners has reviewed Board letter dated September 20, 2004 requesting authorization to submit an acquisition package to HUD, to enter into two separate purchase agreements with River Village Townhomes, LLC and River Village Lofts, LLC and to execute other documents necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer, or his designee to submit an acquisition package to HUD; and

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to enter into Purchase Agreements with River Village Townhomes, LLC

and River Village Lofts, LLC utilizing the Cabrini 1994 HOPE VI grant in the amount of \$3,452, 288 to acquire 25 Cabrini North Extension replacement units; and

THAT, the Board of Commissioners authorizes the Chief Executive Officer, or his designee, to enter and execute other agreements, certificates or other agreements as necessary to implement the foregoing.

(Item B11)

The East Lake Management and Development Corp. development team was the successful respondent to the June 2002 solicitation for the redevelopment of the Rockwell Gardens Site. HUD has indicated that since a competitive process was engaged in to procure the Rockwell Redevelopment Team as identified in the Revitalization Plan approved by HUD, and since the engineered barrier approach to remediation involves construction elements to be performed post-closing, there is justification to enter into this contract with East Lake/West End, LLC and/or East Lake/West End I-B, L.P. Various benefits to the project will be realized by entering into a contract for remediation activities with East Lake/West End, LLC and/or East Lake/West End I-B, L.P. The benefits namely are (1) continuity of schedule; (2) continuity of activity and (3) economy of scale. Accordingly, the resolution for Item B11 approves award of contract for remediation activities to East Lake/West End, LLC and/or East Lake/West End I-B, L.P.

RESOLUTION NO. 2004-CHA-140

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated, October 19, 2004, "Authorization to enter into a contract with East Lake/West End, LLC and/or East Lake/West End I-B, L.P. for Environmental Remediation Activities at the Rockwell Phase I-B Rental Development Site".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with East Lake/West End, LLC and/or East Lake/West End I-B, L.P. for environmental remediation activities at the Rockwell Phase I-B rental development site for a total contract amount not to exceed \$3,221,118 (200% of the estimated remediation costs for the CHA-owned land within the Rockwell Phase I-B Rental Redevelopment Site). The term of CHA's obligation for remediation costs shall be the earlier of: the receipt of a "No Further Remediation" letter from the Illinois Environmental Protection Agency with regard to the Rockwell Phase I-B Rental Redevelopment Site, or two years, subject to a one year extension.

(Item B12)

The resolution for Item B12 ratifies a Contract Amendment with The MEC + SMLA Joint Venture by increasing funding for completed Prime Design Consultant services at Wentworth Gardens. Services provided included Sewer Rodding/Inspection/Mapping; Topographic and Property Line Survey including Utilities; Owner Requested Scope and Construction Documents Changes and Owner Requested Division of Bid and Construction Document. Additional increase in Scope included a proposed site electrical, phone and CATV redesign work and proposed architectural and engineering services for the introduction of "Smart Homes Technology" into the bid documents.

RESOLUTION NO. 2004-CHA-141

WHEREAS, the Board of Commissioners has reviewed Board Letter dated September 16, 2004 entitled "Authorization to amend Contract No. 9734 with the MEC + SMLA Joint Venture for the provision of Prime Design Consultant Services at Wentworth Gardens Family Development (IL2 – 008)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners ratifies the amendment of Contract No. 9734 with The MEC + SMLA Joint Venture to increase its funding by \$418,128.50 for

completed Prime Design Consultant services at Wentworth Gardens additional services in the original Scope of Work, and authorizes the Chief Executive Officer or his designee to increase the funding for Contract No. 9734 in the amount of \$91,550.00 for the site electrical, phone, and CATV redesign, and architectural and engineering services for the inclusion of Smart Homes technology. This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements. The total amount to be added to Contract No. 9734 is \$509,678.50. The new total contract amount for Contract No. 9734 will be \$1,975,928.50. The length of the contract is unchanged.

(Item B13)

The CHA advertised an Invitation for Bid for modernization of the Family Housing at Wentworth Gardens. The IFB was advertised in area newspapers and mailed flyers to 24 firms, including 10 M/W/DBE firms. The CHA received and opened five (5) bids on July 2, 2004 at 10:00 am. Following the bid opening, the Department of Procurement and Contracts (DPC) determined that Najlia International (Najlia) was the lowest bidder. After DPC conducted a pre-award survey and other routine due diligence, following the Board of Commissioners regular meeting of August 17, 2004, DPC notified Najlia that it would be awarded a contract for the modernization of the Family Housing at Wentworth Gardens if it satisfied certain conditions of the Board's authorization of the award. Najlia was unable to meet such conditions and both DPC and the Capital Construction Division (CCD) recommend that it would be in the best interest of the CHA to avoid any further delay in issuing a contract for the general modernization of Wentworth Gardens by awarding the contract to G. F. Structures Corporation. G. F. Structures' bid of \$18,150,773.00 was the second lowest bid in response to the initial IFB. Accordingly, the resolution for Item B13 approves award of contract to G.F. Structures for the modernization work at Wentworth Gardens. It is the intention of the CHA to complete the renovation of Wentworth Gardens under two (2) separate and sequential project contracts. The scope of work for IFB No. 01322 represents the work to be included in the first contract. It provides for the building renovation of only Buildings 15, 16, 17, 21, 22 and 23 (Site Sectors B and D). Buildings 18 and 19 will be demolished. A new domestic water service will be installed in Building 20 to replace the hot water service previously provided from Building 19. The work on Buildings 15, 16, 17, 21, 22 and 23 will include the following: (a) interior renovation, (b) modernization of electrical, mechanical and plumbing systems, (c) abatement of ACM, lead and mold, (d) installation of air conditioners, and (e) masonry cleaning and repair to the exterior of the buildings. The work on Building 20 is limited to mechanical work. The work will also include a new phone, cable TV and electrical distribution system to serve the entire site.

RESOLUTION NO. 2004-CHA-142

WHEREAS, the Board of Commissioners has reviewed Board Letter dated September 28, 2004 entitled "Authorization to execute a contract with G. F. Structures Corporation for the Family Housing Modernization at Wentworth Gardens (IL2-008);"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute a contract with G. F. Structures Corporation in the amount of \$18,150,773.00 for the Family Housing modernization at Wentworth Gardens (IL2-008), 3770 S. Wentworth Avenue. This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

The Omnibus Motion to adopt resolutions for Items B1 through B13 was seconded by Commissioner Ponce and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey (Recused from voting on Item B12 & B13 only) Earnest Gates Dr. Mildred Harris Lori Healey Michael Ivers Martin Nesbitt
-------	---

Carlos Ponce

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Joint Finance and Operations Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

S/B: Sharon Gist Gilliam
Chairperson

S/B: Lee Gill, Custodian and
Keeper of Records